

**PART III**

**SECTION J - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS**

**ATTACHMENT 7**

**PERSONNEL (APPENDIX A)**

The provisions of this Appendix are applicable only to work under Contract DE-AC36-99GO10337 and costs incurred in accordance herewith shall be allowable costs.

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## Section 1. Introduction

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This Appendix sets forth those Contractor human resource management policies and related expenses that have cost implications under the Contract. Only those items of personnel cost and related expenses as set forth in this Appendix and incorporated by reference are allowable costs under this Contract.

The Contractor shall select, employ, manage, and direct the work force, and apply the policies set forth in general conformance with the methods used in the Contractor's private operations, insofar as those methods are consistent with this Contract. The Contractor shall use effective management review procedures and internal controls to assure that allowable costs are not exceeded, and that areas requiring prior approval of the Department of Energy (DOE) Contracting Officer or designated representative are reviewed and approved prior to incurrence of costs.

Either party may request that this Appendix be revised, and the parties hereto agree to give consideration in good faith to any such request. Revisions to this Appendix shall be accomplished by executing a contract modification as approved by the DOE Contracting Officer. When revisions to this Appendix are agreed upon, revised pages will be issued reflecting such changes and the effective date of such changes.

The Appendix is adopted for the exclusive benefit and convenience of the parties hereto, and nothing contained herein shall be construed as conferring any right or benefit upon past, present, or future employees of the Contractor, or upon any other third party. Accordingly, neither this Appendix nor any part thereof, as amended or modified, will be deemed to constitute a Contract between a party hereto and any employee of the Contractor or Major Subcontractor or to be consideration for, or an inducement or condition of, the employment of any person or to afford the basis for any claim or right of action whatsoever against a party hereto by any employee of the contractor or other third party.

The Contractor shall promptly furnish all reports and information required or otherwise indicated in this Appendix to the Contracting Officer or designated representative. The Contractor and the Department of Energy recognize that other data requests may be made from time to time, and the parties agree to cooperate in meeting such requests.

## Section 2. Definitions

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For clarity and consistency of meaning and intent, the following terms are defined for use in this Appendix:

Adjustment Increase. Any change in the base rate of pay other than an increase for merit, reclassification, or promotion.

Base Rate. The hourly rate or salary paid for a job performed. Does not include shift differentials, benefits, overtime, incentive premiums, or any pay element other than the base rate.

Contractor. Midwest Research Institute.

Contracting Officer. The designated DOE Official who is authorized to obligate the Government.

Contracting Officer Approval. Is defined as approval in writing.

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Exempt Employee. An employee of the Contractor employed in a bona fide executive, administrative, or professional capacity who is determined to be exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act of 1938, as amended.

Key Personnel. Laboratory Director, Associate Directors and Deputy Associate Directors as defined in Attachment 1, Key Personnel.

Laboratory. The National Renewable Energy Laboratory.

Month of Layoff. The month in which an employee's last day of work occurs due to a reduction in force (RIF).

Nonexempt Employee. An employee of the Contractor who is determined to be covered by the minimum wage and overtime provisions of the Fair Labor Standards Act of 1938, as amended.

Overtime Pay. Payment, in addition to straight time, for any hour worked in excess of 40 hours within a payroll week for nonexempt employees, or where applicable, any hours in excess of 40 hours within a payroll week for eligible exempt salaried employees on an approved extended work week schedule.

Regular Employee. An employee hired by the Contractor to work either full or part-time on an established work week or nonstandard work week.

Seconded Employee. An individual assigned by a member of the prime contract management team other than MRI (Battelle, or Bechtel) to work at NREL while retaining their employment status at his or her home organization.

Service. Employment duration for the Contractor from date of hire. Unpaid leaves of absence will not be credited if there has been a break in service of over 3 years.

Straight Time Rate. An individual's base rate plus any applicable shift differential.

Temporary Employee. An employee hired by the Contractor either full or part-time on an established work week or nonstandard work week for a limited period of time. .

Termination. Cessation of employment due to resignation, discharge, lay off, reduction in force, retirement, death or removal from payroll because of disability.

Work Week. The regular work week shall be 40 hours. Alternative work weeks may be established with approval of the Contracting Officer.

### **Section 3. Pay Policies**

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#### 1. General Provisions

The Laboratory Compensation Program must be approved by the Contracting Officer. Proposed Compensation Program design changes that affect costs also will be submitted for review and approval by the Contracting Officer.

#### 2. Administration

- a. The administration of wages and salaries of exempt and nonexempt employees shall be carried out in accordance with sound wage and salary administration principles and in a manner that provides for equitable treatment of personnel on a definitive, systematic basis consistent with economic business

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practices and judicious expenditure of public funds, and that results in payment of total compensation to individual employees conforming to the standards of reasonableness as contemplated by FAR Subpart 31.205-6.

- b. The objectives of the Laboratory Compensation Program are to provide compensation for each employee that will reflect the worth of the position to the Laboratory and to relate compensation increases to an individual's performance.
- c. Within the limits of fiscal resources available annually, every effort shall be made to maintain employee compensation at levels that will attract and retain a competent workforce and maintain a competitive posture in the market place. Compensation will be reviewed at least annually and increases are based on proficient and effective performance; however, no increases are implied.
- d. Salary bands with minimum and maximum salary amounts have been established for groups of jobs broadly defined as having competitive value in the labor market and comparable value in the Laboratory. Salary surveys are used to confirm the appropriate placement of jobs in the bands. A job evaluation system is used to place jobs for which salary survey data are not available. Changes in salary bands require prior Contracting Officer approval.
- e. These salary bands, supported by salary survey information and administrative direction from the Human Resources Office, are used to guide managers in making compensation recommendations. Although other factors may be considered, *performance* is the principal consideration for recommending an increase in compensation for an employee. The Contractor shall maintain an appropriate employee performance appraisal system that is integrated with compensation administration policy.

### 3. Job Classifications, Salary Bands, and Salary Ranges

- a. All Laboratory positions, except the Director and Associate Directors, shall be described and placed in generic job classifications using salary survey data or the job evaluation system.
- b. New, changed, or altered compensation bands or job classifications require prior Contracting Officer approval. Submission of such changes for approval shall contain the proposed effective date of new or deleted classifications and the reasons for these proposed changes. The Contracting Officer shall be provided with copies of all job classifications being used.
- c. The Contractor will review the salary structure annually for the proper placement of jobs in salary bands to ensure consistency in the application of salary survey data and the job evaluation system, and to propose appropriate modifications when needed.

### 4. Performance Evaluation System

The Contractor will maintain a performance evaluation system to appraise each employee on an annual basis in writing.

### 5. Compensation Increase Plan

- a. Prior to each salary program year, the Contractor will develop and justify, in a manner prescribed by the Contracting Officer, a Compensation Increase Plan (CIP) for exempt employees and nonexempt employees for review and approval. The funds are calculated as a percentage of exempt and nonexempt base payroll at the end of the prior salary year, expressed as an annualized amount, and shall be the maximum amount allowed for granting increases for employees based on merit, promotions, and adjustments. This fund will be based upon such factors as national and local surveys, area rates, and such other criteria as may be

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pertinent to the establishment of competitive salaries. All such increases will be charged to the fund on an annualized basis. Once an individual's compensation increase is charged to the fund, reuse of that amount (i.e., recovery) for any further personal compensation during the compensation year will be unallowable. If an individual terminates before receiving an increase, the amount of money allocated for that individual may remain in the fund. Each component of the fund (i.e., merit, promotion, and adjustments) shall be broken out as subtotals.

- b. The Contractor also shall provide, for Contracting Officer approval, a copy of the annually developed salary increase guidelines prepared for supervisory use, indicating the parameters for granting various increases based on employee performance and current salary.
- c. The dollar amount of the fund will be subject to review and adjustment by the Contracting Officer at any time during the Contract year based on major changes that affect Contract funding or Contractor payroll, such as a reduction in force.

### 6. Compensation Procedures and Guidelines

- a. Prior to any official compensation offer, the proposed compensation should be reviewed to ensure that it meets the guidelines of this Appendix, is internally equitable, and competitive with the external market.

No employee shall be paid more than the band maximum for the position without approval of the Laboratory Director and the Contracting Officer.

- b. Compensation ranges will be established for all pay groups based upon external and internal considerations. These will be reviewed annually and adjusted as necessary (when approved by Contracting Officer) to reflect changed economic conditions in the appropriate labor markets. Survey data shall be obtained biannually and be sufficiently comprehensive to permit valid comparisons to compensation paid by organizations competing with the Laboratory for labor.
  - c. To assure that individual increases are reasonable, compensation increase decisions shall give appropriate consideration to employee performance levels, internal equity, compensation range position, and labor market comparisons. The amount and timing of prior increases will also be considered, with pro-rating of increases when appropriate.
- (1) A merit increase is an increase in compensation for performance in the current position. A merit increase will be based upon performance in the most current performance appraisal period.

New regular full-time and part-time employees may be eligible to receive a pro-rated merit increase after they have completed six months of employment.

The annual effective date of the merit increase shall be as specified below:

- (a) If April 1 is in the first week of the biweekly pay period, the effective date of the merit increase will be the first day of the pay period including April 1.
- (b) If April 1 is in the second week of the pay period, the effective date of the merit increase will be the first day of the subsequent pay period.
- (c) Specifically: FY 2000 — March 26, 2000; FY 2001 — April 8, 2001; FY 2002 — April 7, 2002; FY 2003 — April 6, 2003.

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- (2) A promotion increase will be granted upon assignment to a position with significantly increased duties and responsibilities and/or higher market rate. A promotion normally involves movement to a higher salary band; however, movement to a job in a different job family in the same band also may be considered a promotion.
- (3) An adjustment increase is defined as any change in the base rate, other than an increase for merit or promotion, to correct for compensation inequity or for career growth in a salary band.

### 7. Approval of Individual Compensation Actions

- a. Individual compensation actions for the following positions or types of actions will require the prior written approval of the Contracting Officer:

- (1) Laboratory Director;
- (2) Associate Director(s); and
- (3) Office Directors, Center Directors and Senior Research Fellows.

For the purpose of this section, compensation is defined as base salary plus any DOE reimbursable deferred compensation or cash compensation not included in base pay, if applicable.

- b. The Contractor will review subcontractor compensation actions for seconded positions to ensure conformance with applicable laws, regulations, and policies.
- c. The Contracting Officer shall approve in advance individual salary actions involving (1) any new hire or transfer to the Contract resulting in allowable annual compensation where the employee will occupy one of the positions described in 7.a. above ; (2) any increase resulting in a base salary of 20% or more above the approved market reference value from the Compensation Increase Proposal for the year in which the salary action is effective; or (3) single increases of \$7,500 or more which exceed 15 percent of the employee's salary, or any combination of increases of \$7,500 or more in a compensation plan year for any individual that together exceed 20 percent of the employee's salary, unless such increase is part of a separate, special adjustment package (involving a group of individuals) which was submitted and approved by DOE or is necessary to bring the salary of an employee to the minimum salary level for the band or to 80% of the market value of the position. Special adjustment packages will be discussed with DOE prior to implementation.

Justification documentation shall include information in support of mission goals, Departmental business lines, relative size of budget and number of employees supervised, educational/experience data supporting the proposed salary and selection, and both internal and external market comparative data.

No commitments shall be made to employees regarding compensation actions covered by this Section 7 until Contracting Officer approval has been obtained.

- c. All Compensation Increase Memoranda requesting changes in salaries, job titles, or salary bands shall be approved by appropriate levels of management consistent with the Contractor's established procedures. Those actions requiring Contracting Officer approval shall have the prior approval of the Laboratory Director. The Director's compensation shall be approved by the President of Midwest Research Institute before submission for DOE approval.

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Salaries requiring DOE Contracting Officer prior approval will be submitted to DOE no less than five weeks prior to the proposed effective date, except under extraordinary circumstances endorsed by the Director.

The Contractor will provide the Contracting Officer with wage and compensation reports, as requested.

### 8. Incentive Compensation

Management and staff incentive compensation as well as performance awards that may be proposed by the Contractor and approved by the Contracting Officer during the period of this contract will be allowable costs. Such incentive compensation plans include variable pay plans, of which two have been approved by the Site Manager. These include signing and retention bonuses. Such bonuses will not exceed REDACTED% of the employee's base salary without the approval of the Contracting Officer.

### 9. Premium Pay

#### a. Overtime

- (1) The use of overtime as a method of accomplishing regularly assigned duties is discouraged, and the Laboratory will preplan and notify employees of any required overtime as far in advance as possible. No nonexempt employee may work more than 40 hours in any one week without the advance approval, either verbally or in writing, of the appropriate management level.
- (2) The Laboratory will maintain internal controls to assure that overtime hours (other than those resulting from regularly scheduled extended work weeks for around-the-clock operation) do not become excessive.
- (3) Payment of overtime premiums for work in the following categories will be an allowable cost to the extent that the amount is reasonable and properly allocable to work under the Contract. The work must be:
  - (a) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, or breakdowns of equipment;
  - (b) By indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby Laboratory protection, operation or utilities or accounting;
  - (c) Associated with the performance of tests, industrial processes, laboratory procedures; loading or unloading of transportation media, operations that are continuous in nature and cannot reasonably be interrupted or otherwise completed; or
  - (d) Work that results in lower cost to the Government.

Overtime reports shall be submitted in accordance with the current applicable DOE Orders.

- (4) Any authorized absence that occurs within the basic work week and that is compensable under this Contract, such as vacation, sick leave, or holiday leave, shall be considered as constituting part of the basic or extended work week for the purposes of determining the number of overtime hours.
  - (a) Exempt Employees



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Employees who are exempt from the provisions of the Fair Labor Standards Act will be paid a basic compensation commensurate with their job duties and responsibilities. The individual's compensation shall not be related to the actual hours worked, but rather to the job requirements, which are expected to be fulfilled regardless of time requirements of the job. However, in the event that extended work situations may develop requiring the Laboratory to schedule overtime for exempt personnel, the Director or his/her designee may approve compensatory time or straight time compensation. If approved, an exempt employee electing to take compensatory time off may do so only by mutual agreement of the employee and supervisor.

### (b) Nonexempt Employees

Employees who are not exempt from the provisions of the Fair Labor Standards Act will be paid at the rate of one and one-half times their straight-time hourly equivalent rate for all hours worked in excess of 40 in any one work week. In addition to hours actually worked, the following hours shall be considered as hours worked for the purpose of calculating overtime pay:

Hours allowed for a holiday, which is observed during a scheduled work week;

Hours allowed for vacation and such other absences as are specifically provided in this Appendix as being considered as hours of work for the purpose of calculating overtime pay;

Time spent traveling on official business, and as specified below:

Hours in which work is actually performed; or

Other hours for which the Contractor is required by law to pay compensation.

## b. Shift Differentials

### (1) Shifts and Hours of Work

The Laboratory workday will be separated into three eight-hour shifts, which are defined below. A shift includes all work performed by an employee, at least three-fourths of whose regularly scheduled working hours are as specified below:

(a) First Shift = 8:00 a.m. to 5:00 p.m. with a minimum 30-minute meal break.

(b) Second Shift = 4:00 p.m. to 12:30 a.m. with a minimum 30-minute meal break.

(c) Third Shift = 12:00 a.m. to 8:30 a.m. with a minimum 30-minute meal break.

### (2) Compensation

(a) Shift differential pay shall be established for employees working second and third shifts at an hourly premium added to the employee's standard hourly pay. Third shift pay is at a higher premium than second shift pay. The premium rates are to be evaluated and approved as part of the annual Compensation Increase Plan.

(b) The shift premium will not be paid to a regular first-shift employee who starts work before the employee's normal starting time and works into the employee's regular quitting time.

(c) All vacation pay, sick pay, or other compensation will be paid exclusive of shift differential pay.

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- (d) Shift differentials paid will be included for purposes of calculating overtime pay rates.
- (e) In the event that an exempt or nonexempt employee is required to work on a recognized holiday (or day observed as a holiday), the compensation will be in accordance with Section 1.c and 1.d, as described in Section 7, Paid Leave of this Appendix.

### (3) Eligibility and Approval

- (a) Only employees who regularly work those shifts that result in added pay via shift differential, as described above, should be given this compensation. However, it is recognized that there are situations such as illness, personal leave, and vacations that will require scheduling other employees to occasionally work those shifts. In these instances, those employees will be entitled to receive applicable shift differential pay.
- (b) Shift differential pay shall be approved via signature(s) of the appropriate management level.

### c. Call-In Pay

Under special circumstances for facilities and equipment malfunction, e.g., power outages, security and safety systems failure, the Laboratory may need to place certain qualified nonexempt employees on call after working hours, weekends, and holidays to be available to report to work.

#### (1) Compensation

- (a) Nonexempt employees who are designated for on-call/call-back status will be compensated under the overtime provisions described above in this section for all hours worked outside their regularly scheduled 8-hour shift.
- (b) Call-back time shall be compensable for hours actually worked and transportation time with a two-hour minimum payment.
- (c) Nonexempt employees who are regularly scheduled to provide on-call/call-back service for one full week (7 days) will receive premium pay of REDACTED hours straight time pay for each full week served on call in addition to overtime provisions stated above. Unless justified, employees on call who are not available when called will forfeit this premium pay.
- (d) Exempt employees who are placed on call-back status will not be eligible for the compensation provisions of this section.

#### (2) Approvals

On-call/call-back services and assignments of employees to on-call/call-back status shall be approved by appropriate levels of management.

## 10. Separation Pay

### a. Voluntary Separation

Employees who voluntarily terminate their employment at the Laboratory will be expected to give advance notice. The Contractor may prefer in some cases to have the employee cease active employment prior to his/her notice date. This decision may be accomplished either by:

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- (1) Making a lump sum payment REDACTED; or
- (2) Placing the employee on leave of absence with pay through the remaining period.

In either event, the effective date of separation will be the date on which the notice period expires; and vacation and pension credits will accrue during the interim. Life insurance and medical benefits will also continue during this notice period, and any required contributions will be deducted from the employee's pay.

### b. Involuntary Separation

In situations where there has been a continued lack of acceptable performance by the employee and there has been adequate counseling provided to increase performance and measurable results were not achieved, an involuntary separation may take place. Other situations may cause involuntary separation such as documented insubordination, theft, etc.

In either case, any consideration of notice in lieu of immediate dismissal will be evaluated on a case-by-case basis. In no case shall severance pay be made when an employee is terminated for cause.

### c. Reduction-in-Force (RIF)

- (1) An employee's services may be terminated as a result of changes in program, a decrease in work or related funding, reorganizations, and when Laboratory operations no longer require the skills or services that an employee can provide.

An employee being terminated through a RIF will be eligible for the following separation allowance:

Less than one year of service with Laboratory*	REDACTED
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\*Laboratory employees with less than one year of service who were relocated are eligible for four week's pay.

One through four years of service with Laboratory	REDACTED
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More than four years service with Laboratory	REDACTED
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No employee who (1) accepts transfer to another facility, subsidiary, or affiliate of the Contractor, (2) is offered employment at comparable pay and benefits by a successor contractor, (3) resigns, or (4) is discharged for cause, will be eligible for severance pay.

An employee who has been accepted for a voluntary RIF or who is impacted by a RIF and who is eligible for and elects retirement will not be denied severance pay. In the event DOE approves a special one-time incentive for early retirement in connection with a work force reduction, the eligibility window for the special incentive will be closed before any voluntary or involuntary RIF designations are made. Employees electing a retirement incentive are not eligible for severance pay.

- (2) Extended benefits coverage will be made available to affected employees. Employees currently enrolled in the insurance programs will be able to continue their coverage for specified periods at the existing premium rates. The employee's premium contribution will be deducted from the final paycheck. These benefits will be as follows:
  - (a) Medical/Dental Insurance will continue for REDACTED days following the end of the month of layoff or until eligible for group coverage with a new employer, whichever occurs first.

- (b) Life and Accidental Death and Dismemberment Insurance will continue for REDACTED days following the end of the month of lay-off or until eligible for group coverage with a new employer, whichever occurs first.
  - (c) Commitments on approved tuition reimbursement courses made to employees enrolled prior to a termination notification date will be fulfilled for that current quarter or semester.
  - (d) All other benefits cease on the date of layoff and statutory benefit coverage provisions are to be implemented as required by applicable laws.
- (3) Payments may be made only upon involuntary separation by RIF of an employee which results in a permanent separation from the employment at the Laboratory. However, payments may also be made upon voluntary separation of an employee within a RIF grouping which thereby eliminates the need for separating another employee involuntarily. Should an employee be rehired in the period covered by the separation pay, the employee will be responsible for refunding the remaining balance of severance pay.
  - (4) A specific employee assistance plan will be developed and implemented by the Human Resources Office for each RIF involving more than 10 employees within a 30-day period. Each plan will take into account the scope, as well as other significant aspects of the reduction-in-force, and will be reviewed by the Director and subject to Contracting Officer approval.
  - (5) Outplacement services may be offered on a case-by-case basis up to \$REDACTED per employee, and services beyond that amount will require Contracting Officer approval.

#### 11. Research Participant Program Workers

Personnel of research and educational institutions and other persons participating in programs described in Section 9.4., Research Participant Programs may be accorded temporary status at the Laboratory. A temporary professional staff appointment is for those individuals with exceptional professional qualifications and will not normally extend beyond 36 months in duration without the approval of the appropriate Associate Director.

### **Section 4. Labor Relations**

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The Contractor will respect the right of employees to organize, form, join, or assist labor organizations; to bargain collectively through representatives of the employee's own choosing; and to engage in other concerted activities for the purpose of collective bargaining, and also the right to refrain from such activities.

If any segment of the Contractor's workforce becomes certified for representation by a labor organization, the Contractor will meet with the Contracting Officer or designee(s) for the purpose of reviewing the Contractor's bargaining objectives prior to any negotiation concerning any collective bargaining agreement or revision.

Subsequent to negotiations of a collective bargaining agreement, the Contractor will promptly advise the Contracting Officer of labor relations developments involving the Contractor or any subcontractor on a government-owned or operated site that appears likely to lead to a work stoppage or appears to involve: the National Labor Relations Board at any level; recourse to procedures under the Labor Management Relations Act of 1947, as

amended; the Higher Education Employee Relations Act; any Federal or State labor law; or any grievance that reasonably may be expected to be referred to arbitration under a collective bargaining agreement.

## **Section 5.**

### **Employee Welfare Benefit Programs**

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#### **1. General**

The Contractor will be reimbursed for all costs incurred in implementing, administering, and funding comprehensive Group Insurance Plans. The Contractor's programs shall meet the tests of allowability and reasonableness established by applicable Federal Acquisition Regulations, Department of Energy Acquisition Regulations, and requirements set forth in DOE Orders. The features of these Group Insurance Plans are set forth in policies and insurance plan description booklets, current copies of which will be provided to the Contracting Officer. Administrative costs associated with the effective administration of the Plans include such items as publicizing, enrolling, maintaining records, and providing employees with assistance in understanding and collecting their benefits. Dividends, return premiums, or other allowances and credits that accrue under each policy shall be credited to the Contract and applied to future insurance costs under each policy. The Contractor will obtain approval from the Contracting Officer prior to adding to or making a change in benefits under these Plans. Any changes in benefits and/or their associated costs require Contracting Officer approval.

Any significant revisions to employee benefit plans that affect cost, level of benefits, or are precedent-setting in nature, require the Contracting Officer's approval. The Laboratory will provide experience reports, and any other reports, as requested, by the Contracting Officer on a calendar year basis.

#### **2. Group Insurance Plan**

- a. The Contractor will offer a cafeteria benefits program described in Section 125 of the Internal Revenue Code that allows for a variety of pre-tax benefits as well as choice of a variety of benefits to employees. The plan will be for all full-time and part-time (those working at least 20 hours per week on a regularly scheduled basis) employees and full-time and part-time employees with assignments for 1 year or more. The terms and conditions of Plans are controlled by the provisions of the group insurance policies issued to either the Laboratory or the Contractor by the Insurance Carrier, as are currently in effect and as may be amended from time to time by the Contractor, including amendments, if any, to change of method of funding. Funding method changes will be approved by the Contracting Officer for application to this Contract.
- b. The Contractor will require cost sharing by the employee for the employee premium of at least REDACTED percent and dependent premiums of at least REDACTED percent for Medical and Dental Insurance Plans. Part-time employees working 20 to 29 hours will receive REDACTED percent of the Contractor-provided premium share. Contracting Officer approval will be required only if the Laboratory premium share increases. Deductible, co-payment, and coinsurance amounts are described in Summary Plan Descriptions.
- c. The Contractor will pay for REDACTED percent of employee premiums for the Group Life Insurance Plan. Coverage is equal to REDACTED times the employee's annual compensation with a maximum coverage of \$REDACTED. Employees will have an equivalent amount of accidental death and dismemberment insurance with a maximum of \$REDACTED. The Contractor will pay the entire cost. Optional additional coverage and dependent coverage will also be made available to the employee, for which the entire premium will be paid by the employee.

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- d. Under the cafeteria benefits program, the Contractor may offer a variety of alternative benefits, of which the entire premium will be paid by the employee. The Contractor will provide a summary on an annual basis of other benefit programs being offered.

### 3. Disability Leave and Return to Work

- a. For periods of disability extending beyond 10 working days or 14 calendar days, the Laboratory reserves the right to require a physician's written statement confirming that an employee is unable to return to work for a specified period of time.
- b. When the disability period certified by the physician has expired and unless the employee has informed the Laboratory that he/she does not intend to return to work (thus resulting in termination of employment), the employee must return to work within 5 working days from the return date specified by the physician. If the employee fails to return to work within this period of time, he/she shall be deemed to have voluntarily resigned.
- c. The Laboratory will reserve the right to request and/or require another or second physician's written statement, at the Laboratory's expense, for those disabilities extending beyond 10 working days or 14 calendar days.

### 4. Long-Term Disability

The Contractor will offer an optional Long-Term Disability Insurance Plan to all regular full-time and regular part-time (those working at least 20 hours per week on a regularly scheduled basis) employees. It covers a disability for an accident or illness incurred either on or off the job which lasts over 90 calendar days. The monthly benefit is equal to REDACTED percent of the employee's compensation. The maximum insured compensation is \$REDACTED per month with a maximum benefit of \$REDACTED per month. Payments will continue as long as the employee is disabled, and if permanently disabled, until age 65. The Contractor will pay for REDACTED percent of the employee's premium.

Premium rates are subject to change based upon the Insurance Carrier's experience, and such changes will not be subject to Contracting Officer approval unless the portion paid by the Contractor is the result of increased insurance coverage or percentage of contribution.

### 5. Worker's Compensation

- a. The Contractor will carry Worker's Compensation Insurance, which covers expenses resulting from on-the-job injuries and occupational illness, as well as an allowance for lost time. Compensation or allowances for medical expenses, time lost, and/or disability will be made in accordance with the applicable State Compensation Law. The Contractor is required to report certain incidents to DOE that are also reportable under Worker Compensation requirements.
- b. Reimbursement for Time Lost. An employee who suffers a job-related accident or illness will receive full compensation reduced by worker's compensation pay from the Contractor for time lost up to and including 90 days. Any allowances or awards paid by Worker's Compensation Insurance for time lost and for which compensation is paid during all or any part of such 90-day period will be retained by the Contractor. Any Worker's Compensation Insurance allowance or award for disability *beyond* the 90-day period will be paid through the Laboratory to the employees.

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- c. Reimbursement for Medical Expenses. Medical expenses will be reimbursed in accordance with applicable State Compensation Law for reimbursement of medical expenses, including drugs, treatments, doctor visits, and hospital expenses incurred due to a job-related accident or illness.
- d. The Contractor will be required to submit a semi-annual report to the Contracting Officer on all Worker's Compensation claims reserved at \$25,000 and above and the reserves established on all new claims. In each instance, the report must include date of incident, claimant, claim number, and reserve amount. In the third year of the Contract, an open/closed claims review shall be conducted by the Contractor and the insurance carrier with a copy of the findings provided to the Contracting Officer. All settlement claims of \$100,000 or more must receive Contracting Officer approval.

### 6. Premium Only Salary Reduction Plan

The Contractor will maintain a pre-tax premium only plan described in Section 106 and Section 125 of the Internal Revenue Code, whereby all eligible employees may elect to have the Contractor pay for the employee's premium contribution made to the Medical and Dental Insurance Plans as required for the employee only or dependent coverage on a pre-tax basis. Under Section 125, the Contractor will not be required to make Social Security contributions on the compensation reduction amounts directed by the employee. The administration of premium only employee elections shall conform to Section 106 and Section 125 regulations.

### 7. Flexible Spending Account Plan

Setup, administrative, and communication costs for this Plan will be reimbursable under the Contract.

#### a. Health Care Reimbursement Account

The Contractor will maintain a pre-tax reimbursement account described in Section 125 of the Internal Revenue Code whereby all eligible employees will be permitted to make a designation of reduction in compensation for amounts not to exceed \$REDACTED per Plan year for reimbursement of the employees eligible health care expenses not covered by the Contractor's Group Medical Plan. Information specifying the number of participant employees, level of compensation reduction, and resulting balances will be provided to the Contracting Officer at the end of each Plan year. Under Section 125, the Contractor shall not be required to make Social Security contributions on the compensation reduction amounts directed by the employee. The administration of health care employee elections shall conform to the Section 125 regulations.

#### b. Dependent Care Assistance Account

The Contractor will maintain a pre-tax reimbursement account described in Section 125 and Section 129 of the Internal Revenue Code, whereby all eligible employees are permitted to make designations of reduction in compensation for amounts not to exceed \$REDACTED per Plan year for reimbursement from the Dependent Care Assistance Account for reimbursement of their covered dependent care expenses. Under Section 125, the Contractor shall not be required to make Social Security contributions on the compensation reduction amounts directed by the employees. The administration of dependent care employee elections shall conform to the Section 125 and Section 129 regulations.

### 8. Travel Accident Insurance

The Contractor will provide a business travel accident insurance for all employees required to travel outside their permanent place of employment. The Contractor will pay the entire carrier premium cost. The principal sum of travel accident insurance will be \$100,000. The maximum amount payable for losses arising from any one accident will be \$1,000,000.

### 9. Group Medical Program Performance Measure

The Contractor will work diligently with its insurance carriers, medical benefit providers and employees to establish and maintain an aggressive cost containment program, with the objective of providing high quality, reasonably priced benefits. The Contractor agrees to seek innovations in its program design and implementation that will result in realizing the above objective throughout the life of this Contract, while also managing benefit costs so that the cost of each medical benefit program component to DOE is reasonable.

The Contractor will specifically identify program changes and cost initiatives on an ongoing basis and, from time to time, implement actions or, when necessary, propose actions to the Contracting Officer that will result in actual cost savings, or which will reduce the rate of cost increases in group medical benefit programs.

Annually, at the anniversary of its benefit program year, the Contractor will submit an analysis of the financial performance of its group medical benefit program(s). The analysis will describe initiatives taken to contain/manage costs; tell how the cost of the medical programs compared to the industry average cost during the previous year; tell how the percentage increase of its program costs compared to the U.S. industry average percentage increase for similar programs; and, reports each cost as a percent of payroll. The Contractor and the Contracting Officer will discuss and reach agreement on the appropriate benchmarks each year as the basis for analyses and comparisons.

## Section 6. Retirement Plan

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### 1. Defined Benefit Plan

- a. The Contractor will maintain a separate pension plan for employees of the Laboratory which provides retirement, disability, and certain incidental death benefits substantially equal to those presently provided to eligible employees of the Contractor at its other operations. The separate pension plan for employees of the Laboratory is known as the National Renewable Energy Laboratory Retirement Plan (the NREL Retirement Plan). The NREL Retirement Plan provides benefits to eligible employees for service rendered to the Laboratory on and after June 1, 1977.
- b. The NREL Retirement Plan is funded by contributions to a separate trust. The Contractor, through the Laboratory, will make contributions (reimbursed by DOE as an allowable cost) to fund the retirement plan. Contributions shall not exceed the greater of:
  - (1) the minimum contribution required under ERISA; or
  - (2) the amount which is expected to fully fund the estimated current liability at the end of the plan year. The term "current liability" means such liability as defined in IRC Section 412.
- c. In the event of a contract termination, which involves a selection by DOE of a replacement contractor, it is DOE's intent that the replacement contractor take over the NREL Retirement Plan to afford continuity to Laboratory employees for both past and future service and benefits. The Contractor will cooperate with DOE and such replacement contractor to assist in such take over by the replacement contractor in accordance with DOE Order 350.1, "Contractor Human Resource Management Programs, Chapter 6."
- d. If the Contractor retains, in its own service, employees of its NREL Division who were NREL Plan participants on the date of contract termination, an amount of assets attributed to Laboratory service shall be transferred from the NREL Retirement Plan Trust to the Contractor Plan Trust. The amount to be transferred for each such participant shall be, subject to adjustments as described below, equal to the



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employee's projected benefit obligation (PBO) as of the date of contract termination, as defined in FASB 87. The PBO for each such employee shall be determined by an actuary using actuarial assumptions specified in the NREL Plan as of the date of contract termination. However, if the product of the total plan assets and a fraction equal to the employees PBO divided by the total plan PBO produces an amount lower than the employee's PBO, then such product shall be the amount transferred; except that in no event will the amount transferred for each such employee be less than the present value of benefits due on a termination basis as such present value is defined in Regulation 1.414(1)-1(b)(5) of the Internal Revenue Service. The amount of the fund transfer shall be subject to review and approval by the Contracting Officer.

- e. In the event of a contract termination which does not involve the selection by DOE of a replacement contractor, termination of the NREL Retirement Plan shall occur and a reconciliation of funding obligations will be accomplished according to the administrative and actuarial procedures and the actuarial assumptions of DOE Order 350.1. Specifically, if the NREL Retirement Plan Trust assets are less than the Plan liabilities, DOE shall pay such differences to the Contractor or, at the Contractor's option, directly into the NREL Retirement Plan Trust. If the NREL Retirement Plan Trust assets are greater than Plan liabilities, all excess funds which revert to the Contractor in accordance with the NREL Retirement Plan shall be paid by the Contractor to DOE promptly upon receipt. The excess funds to be paid shall include any interest earned or accrued through the date of actual disbursement subsequent to plan termination.
- f. The provisions of the preceding paragraph shall also apply if the NREL Retirement Plan is terminated prior to the termination of this Contract.
- g. The terms of the NREL Retirement Plan are set forth in a written plan document adopted by the Contractor's Board of Directors on September 22, 1982 as revised from time to time by Board of Director's approval. A "Summary Plan Description," which is a brief statement of the more important aspects of the Plan, is distributed by the Laboratory to all eligible participants. The "Summary Plan Description" is not meant to extend, restrict, or change the literal provisions of the Plan in any way.
- h. The Contractor shall submit, on an annual basis, an Actuarial Report containing a gain/loss analysis by source and Internal Revenue Forms 5500 and Schedules as well as an Annual Accounting Report of the type detailed in DOE Order 350.1 and/or any other information concerning the plan which may be required by the Contracting Officer.

### 2. Group Tax Deferred Annuity Plan

The Contractor will provide a Group Tax Deferred Annuity Plan for all employees who meet the eligibility requirements of attaining age 21 and completing one year of employment with 1,000 hours of service. The Contractor will make monthly contributions under this Plan towards the purchase of an annuity contract for each eligible participant at the rate of REDACTED percent of each participant's biweekly compensation.

### 3. Postretirement Health Care Insurance

The medical and dental plans are the current offerings to active employees.

The contractor will require cost sharing by the early retiree of REDACTED% of the premium for the level of coverage selected. Each year, the increase in premium cost is added to the prior premium year. The retiree premium is capped at REDACTED% of the total active premium rate for each level of coverage. Upon death of a covered retiree, COBRA coverage is available to dependents.

## Section 7. Paid Leave

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## Appendix A

### 1. Holiday Pay

#### a. General

Full-time employees will be granted eight (8) hours of time off with pay at the base rate for each of the following holidays:

##### (1) Fixed Holidays

New Year's Day  
President's Day  
Memorial Day  
Independence Day

Labor Day  
Thanksgiving Day  
Friday following Thanksgiving  
Christmas Day

- (2) Sixteen (16) hours (two 8-hour days) for "floating holidays" each year selected by the employee. If an important national or regional event occurs and is generally observed as a holiday by government and private industry, the Contractor may request the Contracting Officer's approval for observance of such holiday. Floating holiday hours are not carried over to the next calendar year.

If an employee is hired after July 1, the employee will be eligible for only eight (8) of the sixteen (16) floating holiday hours.

#### b. Holidays Falling on Saturday and Sunday

Holidays falling on Saturday will be observed on the Friday preceding the holiday. Holidays falling on Sunday will be observed on the following Monday.

#### c. Exempt Employees

- (1) An exempt employee who is required to work on a recognized holiday or on a day observed as a holiday will be allowed to take the Holiday on another day. Time off will be scheduled and approved in accordance with 9a(4)(a) of Section 3 of this Appendix (Pay Policies).

#### d. Nonexempt Employees

A nonexempt employee who is required to work on a recognized holiday or on a day observed as a holiday shall receive the compensation to which they are regularly entitled. In addition, they will receive premium pay for all hours worked on the holiday or the day observed as a holiday. Such premium pay shall be calculated by multiplying one and one-half times the employee's straight-time hourly equivalent by the number of hours worked.

#### e. Part-time Employees

Part-time employees will be eligible for holiday pay, at their regular base rate of pay, for the number of hours they are regularly scheduled to work, which is pro-rated on a 40-hour week.

### 2. Vacation Pay, Eligibility, and Maximum Carryover

- a. All employees, except interns and summer hires, will be eligible for vacation with pay. Part-time employees who work regularly scheduled weeks of 30 hours or more will be eligible for prorated vacation with pay based on the scheduled work week.

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Accrued vacation will be prorated based on bi-weekly pay periods at the following rates for full-time employees below the level of Band 2:

REDACTED hours per pay period until completion of 10 years of service = REDACTED hours/year

REDACTED hours per pay period after completion of 10 years of service and until completion of 15 years of service = REDACTED hours/year

REDACTED hours per pay period after 15 years of service = REDACTED hours/year

Vacation for all Contractor-designated senior level personnel, Band 2 and above, will accrue at REDACTED hours per pay period. Managers accruing vacation at the REDACTED hours per pay period, and whose job assignment was changed due to a reorganization, may have the accrual reduced during a two-year period after the reorganization.

- b. After the completion of the first six full months of employment, an employee may "borrow" up to 40 hours of vacation in anticipation of subsequent accrual; and if termination occurs, if such accrual does not equal vacation taken, final pay will be adjusted accordingly.
- c. The maximum accrued vacation balance that may be carried over into the next salary planning year will be 200-hours for employees who are accruing vacation at a rate less than REDACTED hours per pay period and 240 hours for those who accrue at the rate of REDACTED hours per pay period.

An employee may carry over the excess vacation hours into the next salary planning year when justified by Laboratory operational or work requirements with advance approval of appropriate levels of management and notification to Human Resources.

- d. Any employee terminating employment will receive full payment of all unused vacation.
- e. For the purpose of this section, and except as provided for below, service will include credited service at the Laboratory or the Contractor.

For employees hired after the effective date of this contract, service for the purpose of this Section is defined as DOE-credited service performed under a DOE contract.

### 3. Sick Pay

#### a. Eligibility

Eligibility for sick leave will apply only to absences necessitated by actual temporary disability caused by non-occupational illness or injury and will be established for all employees employed on a full-time basis.

Part-time employees who work regularly scheduled weeks of 30 hours or more will be entitled to prorated sick leave with pay based on the scheduled work week.

#### Accrual Rates

The bi-weekly accrual rates for full-time employees will be as follows:

Length of Employment for Full Time Employees	Accrual Rate	Equivalent to
First 13 pay periods	REDACTED hours/pay period	REDACTED hours
Pay periods 14-36	REDACTED hours/pay period	REDACTED hours

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Pay period 37 and thereafter

REDACTED hours/pay period REDACTED hours

### c. Limitations

- (1) Maximum accrued sick leave for any individual will be REDACTED hours.
- (2) Employees terminating service will not receive pay for unused sick leave.
- (3) Enrolled and eligible employees may receive Long-Term Disability Insurance benefits after the REDACTED consecutive working day or on the REDACTED calendar day of full disability.

### 4. Short-Term Disability Pay

The Contractor's self-funded salary compensation plan (a Short-Term Disability Program,) will provide income protection in the amount of REDACTED percent of the employee's base compensation rate when an absence of longer than 14 consecutive calendar days is necessitated by non-occupational illness or injury. Coverage will begin on the 15th calendar day of disability or when all accrued sick leave has been exhausted, whichever is later, and may continue through the 90th calendar day or 65th working day of disability, at which time optional Long-term Disability (if such coverage has been elected by the employee) begins paying benefits. Regular part-time employees who work regularly scheduled weeks of 30 hours or more and regular full-time employees will be eligible for Short-term Disability after the completion of six months of service. A physician's statement or certificate will be required in all instances for employees to receive payments under this program.

### 5. Paid Funeral Leave

Full-time employees are eligible for up to 24 hours for a death in the immediate family (spouse, parents, children, siblings, grandparents, grandchildren, parent-in-laws, or relatives living in the same household with the employee); for other relatives, 8 hours of funeral leave will be granted. The number of hours for part-time employees depends on the employee's regularly scheduled work week and is pro-rated on a 40-hour work week.

### 6. Paid Military Leave

#### a. Training

Full-time employees who are reservists in the armed forces of the United States and who have a short-term military training obligation, such as summer training, will be granted up to two weeks of military training time (10 working days) per year. During this time, the Contractor will pay the difference, if any, between military pay and the employee's prorated compensation.

Military training in excess of two weeks during a calendar year will be granted as leave without pay or as vacation, at employee's option.

#### b. Emergency Duty

Regular employees who are members of the reserve component of the U.S. Armed Forces and who are called for emergency duty will be granted up to one week (five working days) of paid leave per emergency situation. During this time, the Contractor will pay the difference, if any, between military pay and the employee's prorated compensation for the actual number of working days involved up to a maximum of five days.

c. Reinstatement

Employees on military leave shall be entitled to veteran's reemployment rights as established by law.

7. Paid Jury/Witness Duty

a. Jury/Witness Duty

Employees who have been called to be selected or to serve on a jury impaneled by a civil authority will be authorized time off with pay. Payment will be the difference between the employee's base salary and any fees provided by the court, excluding travel allowance. An employee who has been subpoenaed to testify as a witness in legal proceedings, other than one in which the employee is a party to the suit, may be authorized time off with full pay. Compensation and any monies received, including associated travel expenses, from appearances, as a witness will be treated in the same manner as for jury duty.

8. Paid Voting Time

Employees who are registered voters in the locality of employment and who are scheduled to work on a voting day will be allowed no more than two hours off with pay for the purpose of voting in national, state and local elections. If additional time is needed, it may be granted under the provisions of Personal Leave of Absence.

9. Paid Time Off Due To Public Emergencies

Employees may be granted time off with pay during a public emergency that effectively prevents their attendance at work or the continuance of work in a normal and orderly manner. A public emergency includes either a natural disaster (such as fire, flood, earthquake, inclement weather or act of God) or a man-made disaster (such as demonstration, riot, act of sabotage, or site closure). Authorization for time off with pay for such emergencies will be made by the Director of the Laboratory with approval of the Field Office Manager or his designee.

Salary and wage payments allowed under this section will include the assigned shift premium.

Employees may be granted administrative leave with pay for one day per year when extraordinary circumstances such as weather or a site-wide emergency beyond the control of the Contractor precludes normal operations. Leave in excess of one day per year will require Contracting Officer approval.

10. Paid Employee Personal Leave

Full-time and part-time employees who work regularly scheduled weeks of 30 hours or more will be entitled to personal leave. The number of hours for part-time employees depends on the employee's regularly scheduled work week and is pro-rated on a 40-hour work week (effective October 1, 2000).

Personal hours will be used for illness or other emergencies in the immediate family, moving, house closing, observance of religious holidays, and other justifiable reasons. The amount of time taken and whether it is with or without pay will be approved by appropriate levels of management. No more than REDACTED hours for fulltime employees per calendar year of paid personal time will be approved except in very unusual circumstances. Paid time in excess of REDACTED hours must be approved by the Director of the Laboratory and the Contracting Officer.

Full-time and part-time employees will be eligible for emergency leave. Emergency leave with pay may be approved for employees, but does not include interns or summer hires.

### 11. Paid Community Affairs Leave

- a. If the Laboratory as an institution is requested to participate by a volunteer organization, the laboratory may respond by appointing an individual employee to participate on behalf of the Laboratory using leave with pay, up to REDACTED days or REDACTED hours duration per calendar year may be granted, provided:
  - (1) It can be demonstrated that benefit will accrue to the Laboratory and the community as a result of the service.
  - (2) The activity does not involve partisan politics.
  - (3) The leave is approved by the Director or his/her designee within the Laboratory.
  - (4) The approving Laboratory manager will ensure the proposed service does not create, or appear to create, a conflict-of-interest.
  - (5) Salaries, wages, and fringe benefits associated with the approved paid absence will be allowable costs accountable under the Contract.
- b. Paid time off for "Community Affairs Leave," in excess of REDACTED days or REDACTED hours per calendar year will require prior approval of the Contracting Officer.
- c. If an employee is requested by an organization to participate in or initiates contact with a volunteer organization, any leave so granted will be without pay. The Laboratory may authorize the leave after giving due consideration to the impact of his/her absence.

### 12. Paid Sabbatical Leave

The Laboratory has established a Sabbatical Leave Program that provides eligible employees an opportunity to apply for a limited number of assignments. The details of the Sabbatical Leave Program are provided in NREL's Laboratory-Level Procedure which describes the procedures and the general responsibilities, including the approval process. The assignment must relate to the Laboratory's mission and the employee's career development. Regular full-time and part-time (those working at least 32 hours per week on a regularly scheduled basis) employees with six years of continuous employment are eligible to apply for a sabbatical leave. The laboratory may fund up to REDACTED% of the salary which is negotiated between the Center/Office Director and The Associate Director. Some of the benefits will continue, as outlined in the procedure. The employee must return to work for a period at least equal to the length of the sabbatical leave or reimburse the portion of the salary and benefits paid by the Laboratory during the sabbatical leave. The employee is responsible for travel and relocation arrangements and expenses. The length of the sabbatical leave cannot exceed one year.

## Section 8. Unpaid Leaves of Absence

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### 1. General

Periods of approved leave without pay shall not be counted as Contractor service except as required by law or government regulation. The effect of leave without pay on retirement and group insurance plans will be governed by the Group Insurance and Retirement Plan policies in effect at the time the leave begins and in accordance with policies described in this Appendix.

Leaves of absence without pay may be granted to regular employees for the reasons stated below to the extent they will not adversely affect Contract performance. Any leave over 6 months will require Contracting Officer approval. Employer payment of group insurance costs will continue in effect through the end of the month in which the unpaid leave of absence begins.

It is the policy of the Laboratory that employees who are granted an extended unpaid leave of absence for six months or less duration are eligible to return to the same position they held when the leave commenced. Employees who are granted an extended unpaid leave of absence exceeding six months in duration will receive preferential consideration for reemployment upon termination of their leave of absence.

### 2. Types of Leave

- a. Family Leave. Employees can be granted family leave for a period up to 12 weeks during any 12-month period in accordance with the provisions of the Family and Medical Leave Act. Accrued vacation must be used at the beginning of the leave; however, this does not extend the leave of absence period.
- b. Personal Leave. Eligible employees can be granted an unpaid leave of absence for personal situations that require an employee's absence from scheduled work up to a maximum of 6 months.
- c. Educational Leave. Eligible employees (full-time regular) may be granted educational leave for a period of 1 year for completion of Master's or Ph.D. degrees. A request for an extension of an educational leave must be made within 60 days before the end of each 1-year leave. No more than two 1-year extensions will be considered.
- d. Active Duty Military Leave. Military leave without pay may be granted to regular employees who serve on active duty for an extended period of time with State or U.S. Armed Forces. Such leave will not be granted for inactive duty such as regular weekly or monthly meetings or drills required to maintain reserve status. Military leave is normally for the length of military service plus 90 days. Group insurance coverage may continue if the employee elects to prepay the premiums for a period not to exceed 30 days. Service credits will not accrue. Retirement service credit will not accrue except as required by law. Employees on military leave shall be entitled to veteran's reemployment rights as established by law.

## **Section 9.**

### **Training and Education**

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#### **1. General**

The Laboratory has established training programs that are consistent with DOE requirements and guidance and with other federal, state, and local regulations and compliance requirements. These programs are implemented in a systematic and orderly management process consistent with the above requirements and industry practices. Training programs are specifically designed to ensure that employees are well-qualified and competent to manage facilities and meet mission requirements. Appropriate employee training and development programs will be allowable costs under the Contract. The Contractor will submit within the first year of the contract, the training programs and their associated costs for Contracting Officer approval. Annually thereafter, the Contractor for Contracting Officer approval will submit the projected costs of the programs and any proposed changes.

#### **2. Training and Development**

Training programs will be conducted, as required, to increase employee skills and efficiency and to prepare participating employees for increased responsibility. Such programs may include, but are not limited to, employee orientation, technical training, job training, ES&H training, supervisory training, and management development.

The Contractor will not make a duplication of payment for educational benefits, but may pay the difference between any payments by another entity and the greater incurred cost, if the additional cost is for items normally covered under the Contractor's approved educational program.

Appropriate employee training and development expenses will be reported annually to DOE. Contracting Officer approval shall be required for attendance at outside conferences and seminars that exceed seven consecutive calendar days.

#### **3. Educational Assistance**

The Contractor may reimburse tuition payment for approved education courses to regular employees who are regularly scheduled to work at least 30 hours per week, when the course is completed with a grade "C" (or equivalent) or better.

Reimbursement of tuition, laboratory, library, or other course-required fees, required texts and reading material will be made for individual courses, or continuing education credits, or for Contractor-approved degree programs from accredited colleges and universities subject to the following:

- a. The benefit of the education to the Laboratory must be clearly communicated.
- b. To qualify for 100 percent reimbursement, course work or degree program must be related directly to knowledge and skills required or desirable to increase or maintain satisfactory performance in employee's current job, or lead to expanded responsibilities in the employee's current position or a prospective position to which the employee may reasonably accede at the Laboratory.
- c. To qualify for 50 percent reimbursement, the course work or degree program must increase the overall level of an employee's knowledge and skills that are supportive of, but may not be required for, satisfactory performance in the current position, or that will enable the employee to meet the minimum education requirements for Laboratory positions in a field other than his/her current position.



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- d. Degree programs will be approved only for junior and senior years of accredited four-year degree programs and for graduate degree programs, and include mandatory and elective courses prescribed for the necessary credits to meet the degree requirements. All other tuition reimbursements will be considered on a course-by-course basis.
- e. If the employee is eligible for and receives scholarship assistance or other tuition assistance from any source (such as Veterans benefits), the Laboratory's reimbursement shall be reduced by the assistance amounts received by the employee from other sources.
- f. The Laboratory will ascertain that proper scholastic standing is maintained before authorizing course work for the next term.
- g. Reimbursement will be allowed when an employee has to withdraw from a course because of conflicting Laboratory work requirements and when documented in writing by the employee's accountable Director.
- h. Reimbursement will be conditioned upon the employment relationship continuing throughout the period of instruction and completion of the courses. If an employee voluntarily terminates employment within 6 months of a reimbursement, the employee shall pay back 100 percent of reimbursement received during the 6 months prior to termination and 50 percent of those amounts reimbursed between 6 and 12 months prior to termination.

When full-time attendance for two weeks or longer at educational institutions is proposed in connection with special education and training courses or research assignments, such attendance shall be subject to approval by the Contracting Officer on a case-by-case basis.

### 4. Research Participant Program

The Laboratory may sponsor those outreach programs which are designed to encourage participation in science and mathematics by youth, minorities and women. These programs and their associated costs will be allowable under the Contract as approved by the Contracting Officer. The Laboratory shall provide the Contracting Officer a summary of these plans and the participant profiles on a calendar year basis for informational purposes.

- a. Intern Training Programs. The Laboratory may, from time to time, cooperate with universities and colleges by providing to selected students internships in areas of study mutually beneficial to the university or college and to the Contract work. The purpose of this program is to offer a learning experience to students in the subject area of energy efficiency and renewable energy.

Reasonable round-trip transportation expenses and compensation for interns may be paid when the student resides outside a 50 mile radius from the Laboratory. If the intern elects to travel by private automobile, an allowance at the Laboratory-approved rate will be paid for actual mileage for the most direct route, but not to exceed the equivalent coach class air transportation costs.

- b. Graduate Co-op Program. The Laboratory may select for employment students who participate in graduate cooperative programs in accredited universities who wish to study for an advanced degree in a field related to work under the Contract. The program will be governed by the current university policies applicable to such students. The student shall be expected to work part-time under the Contract at the Laboratory during the period that they are attending school, and they will be paid the straight-time hourly equivalent rate and applicable benefits for time worked.

They will be assigned to Contract work that will enable them to fulfill the research requirements for their master's thesis or doctoral dissertation.

5. Sabbatical Assignments to NREL

Qualified professional people from the academic, business and governmental fields who are scientists or engineers with established records of research productivity and who can meet the Contractor's requirements regarding conflict of interest will be invited to apply for a sabbatical visitation to the Laboratory. Sabbatical appointments do not normally extend beyond 12 months in duration. In some cases, the participant's employer will pay part or all expenses; in others, the Laboratory will pay part or all compensation and benefit expenses, excluding pension benefits. In those instances when the Contractor pays part of compensation and benefits, the participant shall be designated as a Sabbatical; and when the Contractor pays all compensation and benefit expenses, the participant shall be designated as a Senior Research Associate.

## **Section 10.**

### **Employee Programs**

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1. Employee Communications

The costs of standard in-house publications to inform employees or the employer about contract-related topics will be allowable. The Contractor may publish a newspaper or other types of publications of reasonable size and cost for the purpose of promoting employee morale. The Contractor will submit an annual budget for this purpose to the Contracting Officer for approval with the Contractor's associated management controls.

2. Employee Awards

The Contracting Officer annually will approve as part of the Cost Proposal a total dollar amount for all awards and recognition ceremonies to be given during that fiscal year by the Contractor. The Contracting Officer will also annually approve the individual types or categories of awards to be given during that fiscal year by the Contractor. Such awards might include the following: Length of Service/Retirement Recognition; Safety Awards; Suggestion Program; and Patent Awards.

a. Service Awards

The Laboratory has an established Service Award Program for the purpose of recognition for employee's service at five-year intervals beginning with five years of service. The service awards presented for years of service shall not exceed a reasonable cost per individual award and shall be approved by the Director's Office. A yearly budget will be submitted as part of the cost proposal and approved by the Contracting Officer.

b. Invention and Incentive Awards

The Laboratory will establish an Invention Incentive Awards Program for the purpose of rewarding Laboratory employees whose research results in the filing of a United States patent application and/or the issuance of a patent. Invention incentive awards may also be given to authors of copyrighted materials. The cost for the awards will be identified as a separate budget item annually and shall be approved by the Contracting Officer at the beginning of each fiscal year.

- (1) The award amount granted for each patent application filed shall not exceed \$REDACTED per inventor up to a maximum of \$REDACTED per patent application filing.
- (2) The award amount granted for each requested copyright obtained and patent issued by the United States Patent and Trademark Office shall be \$REDACTED per inventor up to a maximum of

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\$REDACTED per issued patent. In addition, a commemorative plaque will be awarded to each inventor per issued patent.

### c. Technology Transfer Incentive Awards

The Contractor will establish a Technology Transfer Incentive Awards Program for the purpose of rewarding Laboratory employees for exceptional personal initiative in promoting technology transfer of NREL developments to the private sector. The cost for the awards will be identified as a separate Laboratory budget item annually and approved by the Contracting Officer in the Cost Proposal approval process at the beginning of each fiscal year. No more than 12 technology transfer awards will be given each calendar year with individual award amounts not to exceed \$REDACTED per individual.

### 3. Employee Assistance Programs/Substance Abuse Programs

The Contracting Officer will approve an Employee Assistance Program and associated costs for services such as employee counseling, referral for treatment and rehabilitation, educational services concerning illegal drug use or other medical, emotional or personal problems of employees. These services should be offered primarily for those problems which adversely affect work site behavior and job performance. Services that go beyond those listed above should be coordinated with services available in benefit programs and through appropriate community resources. Employees using this service shall charge time away from the Laboratory to personal, sick, or vacation accounts.

The Contractor will provide a substance abuse program consistent with the minimum requirements of 10 *CFR* Part 707, Workplace Substance Abuse Programs at DOE Sites. The program will provide baseline services: education awareness programs on the hazards of using substances in the DOE workplace; supervisory training on their responsibilities with impaired employees; counseling services; a testing program to deter possible use of substances by employees; and the services of a Medical Review Officer. The program will provide for oversight of those subcontractors' programs that are covered by 10 *CFR* Part 707 and may include provisions for the Contractor to extend the coverage of its approved substance abuse program to subcontractors. Prior review and approval by the Contracting Officer will be required for this program.

An Evaluation shall be conducted annually to determine if the program is being conducted in an effective manner. The results of the evaluation and the projected cost for the next year will be provided to the Contracting Officer for review.

### 4. Wellness Program

Reasonable costs of a Wellness Program to promote employee health and fitness will be allowable and may consist of activities such as stress management, smoking cessation, exercise, nutrition, and weight loss. The Contractor shall submit an annual plan describing planned activities to the Contracting Officer for approval.

### 5. Professional Dues and Licenses

The Contractor may approve the payment of an employee's trade, technical and professional activity costs such as dues and fees for membership in a professional organization or society, professional licenses, and subscriptions to trade, business, professional, or other technical periodicals. These should be job related and enhance the professional development of the employee, or is seen as a benefit to the Laboratory. More than one membership for an employee will require Office/Center Director review and approval.

### 6. Other Programs

#### a. Medical Program

A clinic will be provided for medical care of occupational injuries and to provide relief for minor physical complaints of employees while at the Laboratory. An occupational health nurse will be in attendance during day working hours.

#### b. Physical Fitness Program

The Contractor may establish a program whereby NREL will cost share membership fees, for regular full-time and part-time employees and seconded staff, in a commercial physical fitness facility determined to be cost effective and accessible to employees. The amount the Laboratory will pay for these services will not exceed REDACTED percent of the membership fee per individual to a maximum of \$REDACTED per year for all such membership fees. Information specifying the number of participant employees and the resulting costs will be provided to the Contracting Officer annually. This program will be authorized as a

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temporary, interim measure until such time as a wellness facility at the Laboratory permanent site is constructed and ready for occupancy. At that time, this program will be discontinued.

A yearly budget shall be submitted on a fiscal year basis as part of the cost proposal and approved by the Contracting Officer.

c. Recreation and Morale Program

A recreation and morale program, including such activities as softball, bowling, basketball, and other recreational activities deemed worthwhile will be allowed to the extent that such costs do not exceed \$REDACTED per payrolled employee per year. The contribution will be adjusted annually and based on the Consumer Price Index as of June 1 each year and such adjustment shall be subject to approval of the Contracting Officer. The Contractor shall submit on a fiscal year basis an annual report to the Contracting Officer detailing how the recreation funds were disbursed.

d. Clothing and Equipment

Special laboratory clothing, guard uniforms, safety shoes, and special and/or safety equipment may be purchased and maintained by the Laboratory for use by designated employees when necessary.

e. Blood Donations

Employees who volunteer as donors of blood, without compensation, to the Laboratory Blood Bank, may be excused from work for the period of time necessary to accomplish this purpose. Such time off will not be charged against vacation, personal/emergency leave, or sick leave credits.

f. Medical Examinations

The Contractor reserves the right to request any employee or seconded staff, at the Laboratory's cost, to submit to a medical examination to determine the employee's capability to perform his/her assigned task. Reasonable costs of external medical exams will be reimbursed.

g. Commuting Transportation Assistance

The Contractor may approve the payment of mass transportation assistance for employees. A cost evaluation will be conducted annually and reviewed by the Contractor to determine if the program is being conducted in a cost-effective manner. The results of the evaluation and the projected cost for the next year will be provided to the Contracting Officer, and submitted as part of the cost proposal to the Contracting Officer.

## **Section 11.**

### **Travel and Relocation**

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#### 1. General Provisions

- a. Allowable costs for travel, subsistence, and relocation expenses of NREL business travelers will be in accordance with the Federal Travel Regulations (FTR), Title 41CFR, Subtitle F, chapters 300 - 304. The Contractor will adhere to the FTR for its business and relocation expenses as implemented by the DOE-approved Travel, Subsistence, and Relocation Policy.
- b. Required supporting documents such as receipts or paid invoices will be attached to and retained with the business traveler's claim for expenditures authorized in this Section, except per diem. In event of loss or unavailability of such receipts or invoices, the traveler will furnish written explanations.

#### 2. Official Travel

Travel in connection with work performed under this Contract will be reimbursed in accordance with the policies established by the Federal Travel Regulations, Title 41 CFR, Subtitle F.

3. Interview Travel. Pre-employment interview travel expenses will be reimbursed according to the provisions in 41 CFR, chapter 301-75.

- a.

#### 4. Local Area Travel

- a. Local area travel is defined as a directed or authorized trip on Laboratory business within 50 miles one way from the business traveler's assigned duty station, normally completed within one day or less, and includes consecutive day trips to attend conferences and meetings lasting more than one day.
- b. Business travelers will be reimbursed for actual costs of local travel by bus, train, taxi, or other public transportation. Based on the lesser of either the distance between their assigned Laboratory duty station and destination, or their home and destination.
- c. Travel by private automobile will be reimbursed at the Laboratory rate per mile actually traveled via the most direct route, plus the actual cost of parking and toll fees. Business travelers will be reimbursed the lesser of either the distance between their assigned duty station and destination, or their home and destination.
- d. Business travelers will not normally be reimbursed for meals on local travel. Business travelers may be reimbursed for the actual cost of meals only if a luncheon or dinner is arranged by the conference or seminar sponsor, and is an integral part of that function.

#### 5. Domestic Business Travel

- a. Domestic travel includes trips to destinations 50 miles or more from the business traveler's assigned duty station and of duration of 90 days or less.
- b. People performing authorized travel may be reimbursed for travel expenses as outlined in the regulations cited above

### 6. Offsite Assignments at non-NREL facilities

If the Laboratory needs to relocate employees on temporary offsite assignments, Contracting Officer approval will be obtained. Requests will be considered on a case-by-case basis.

- a. Temporary domestic and International assignments are normally to a work location in excess of 50 miles from the employee's assigned duty station.
- b. Temporary assignments are for periods in excess of 3 months, but not exceeding 12 months.
- c. Employees on temporary assignments at a location away from their assigned duty station will be eligible for reimbursement of travel and living allowances only as outlined below:
  - (1) Allowable expenses for travel to and from temporary site and interim living as specified in d and e below.
  - (2) Allowances for moving personal effects to and from the temporary site as specified in the Federal Travel Regulations.
- d. An employee on a temporary assignment and not accompanied by family may be allowed trips to original location to visit. Reimbursement for such trips will be limited to transportation expenses only. The allowable trips shall not exceed one each 4-week period provided the employee has not returned to the original location for business purposes during this time period.
- e. Temporary Living Quarters and Per Diem are reimbursable at a reduced per diem of not more than 55 percent of the applicable maximum rate prescribed in the Federal Travel Regulation. Allowable expenses shall be reasonable and actual costs for a particular area, for a furnished or unfurnished apartment based on the local Chamber of Commerce, or comparable index, average rental cost for the area, not to exceed amounts specified for rent at the temporary site.
  - (1) Rental costs shall include rent, utilities, and rental of furniture, if necessary.
  - (2) Any rent received from residence at original location shall off-set reimbursement allowable for rent at temporary site.
  - (3) Following acquisition of a temporary residence, an employee will be reimbursed for expenses on assignment. This per diem allowance is provided for meals, initial hook-up of utilities, telephone, insurance, laundry and other miscellaneous expenses.

### 7. Temporary Employee and Research Participant Program Travel

Travel expenses while on Laboratory business incurred by temporary employees and research participants will be paid in accordance with the Contractor's travel policy.

The Contractor will not relocate temporary employees or research participants, except for reimbursed travel (transportation only), based on the information in Section 12 of this Appendix (Recruitment), to their assigned duty station site as designated below; and a temporary employee whose permanent residence is more than 50 miles away from their assigned duty station will be paid the following allowance monthly to assist in relocation expenses.

- a. Travel – One-way transportation to the temporary employee's assigned duty station for self and family (spouse, children). Transportation for foreign national research participants shall be reimbursed only from U.S. Port of Entry.

## Appendix A

- b. Allowance – postdoctoral researchers and research associates will receive a monthly allowance if the following circumstances are met: (1) the individual's permanent residence is more than 50 miles away from the Laboratory, and (2) the individual is maintaining two residences during his/her temporary assignment at the Laboratory. Verification of dual residences will be required upon arrival at NREL and annually thereafter. Any rent received from residence at original location shall offset housing allowances received for temporary site: with family (spouse, children), up to \$520.00 per month; with no family, up to \$360.00 per month.
- b. Allowance – postdoctoral researchers and research associates will receive a monthly allowance if the following circumstances are met: (1) the individual's permanent residence is more than 50 miles away from the Laboratory, and (2) the individual is maintaining two residences during his/her temporary assignment at the Laboratory. Verification of dual residences will be required upon arrival at NREL and annually thereafter. Any rent received from residence at original location shall offset housing allowances received for temporary site: individuals on sabbatical with the Laboratory with families (spouse, children), up to \$750.00 per month, with no family, up to \$600.00 per month.

Temporary professional employees whose permanent residence is no more than 50 miles away from their assigned duty stations will be paid a monthly allowance of up to \$50.00 when required to assist in increased transportation expenses.

Temporary professional employees will be allowed to participate in Contractor's insurance and benefit programs to the extent deemed advisable by the Laboratory, up to the level of benefits for corresponding regular employees.

### 9. Relocation Expenses For New Employees

Relocation costs incidental to the transfer of a newly recruited employee to Laboratory facilities shall be subject to the relocation allowances detailed in the Federal Travel Regulations that are not otherwise unallowable under the provisions of the contract.

#### a. Interim Living Expenses

The Contractor recognizes that there are times when an employee is required to live in temporary housing such as a motel/hotel, or apartment while permanent housing is being completed. Therefore, reasonable and actual costs of lodging as permitted in the FTR and a per diem allowance in lieu of actual expenses for meals, tips, personal luggage handling fees, and small miscellaneous items shall be paid including the time allowed for a house hunting trip. The per diem allowance for each employee, spouse, and children is the M&IE rate for the locality per day or 24-hour period for: (a) first 30 days: 100 percent for the employee and the spouse (unaccompanied), 2/3 for the spouse (accompanied), 2/3 for children 12 and older, and 1/2 for children under 12; and (b) second 30 days: 3/4 of the rates used in the first 30 days. Employees will be encouraged to locate in an apartment if their stay in a motel/hotel exceeds seven (7) days, but the apartment must be for temporary housing only. The Contractor will pay the above costs in an apartment only if obtained for temporary purposes. No allowance shall be made for charges relating to real estate, mortgage, or leases. Reasonable and actual costs of long distance phone calls will be paid only if such calls are necessary to facilitate the process of relocations, and do not exceed two such calls of reasonable length per week.

#### b. Miscellaneous Costs

An amount of \$1000 may be paid to relocating employees in lieu of actual costs for other necessary and reasonable expenses such as disconnecting and connecting household appliances, automobile registration, drivers license, and use taxes, and forfeited utility fees and deposits. Receipts are not required.



c. Allowable Trips Home

Employees shall be allowed a maximum of one trip to the point they are moving from if members of the immediate family are still at that location. Any additional consideration for trips to the point of departure must be approved by Human Resources and the DOE Contracting Officer. Reimbursement of such trips will be limited to transportation expenses only.

d. Closing Costs on Sale of Residences

Costs associated with the sale of homes will be allowed for new employees hired in jobs in Salary Band 2 and above who were homeowners at their previous work locations, for up to 8 percent of the sale price of the property sold (after allowable gross up of the income taxable portion of these expenses), limited to the following items:

- (1) Brokerage fees
- (2) Legal fees
- (3) Appraisal fees
- (4) Mortgage prepayment penalties
- (5) Mortgage satisfaction fees
- (6) Title insurance
- (7) Closing costs
- (8) Trustees fees
- (9) Escrow fees
- (10) Tax service fees
- (11) Termite inspection fees

e. Ownership costs

Continuing costs of ownership of vacant former actual residences being sold (after allowable gross up of the income taxable portion of these expenses), such as maintenance of building and grounds (exclusive of fixing up expenses), utilities, taxes, property insurance, and mortgage interest, etc., after settlement date or lease of new permanent residence shall be reimbursed. These costs in addition to the sales costs covered under (f) above will not exceed 14 percent of the sales price of the property sold. Costs incident to acquiring a home in a new location, except that (i) these costs will not be allowable for newly recruited employees who, before the relocation, were not homeowners and (ii) the total costs shall not exceed five percent of the purchase price of the new home.

f. Area Location

No reimbursement for relocation expenses will be made if the employee already resides in the metropolitan area in which the Laboratory facility is located. The metropolitan area shall be defined as within 50 miles of the Laboratory.

g. Recovery of Payments

The Laboratory shall inform the newly-hired employee in writing that if within 12 months after the hire date the employee resigns or is discharged for cause, the employee will be liable for return of all funds paid for relocation. The Laboratory shall be required to refund or credit such relocation costs to the DOE.

**10. Relocation Expenses for Existing Employees**

Existing employees of the Laboratory who are transferred will be allowed relocation allowance as follows:

- a. Relocation costs are costs incident to the permanent change of duty assignment of an existing employee for a period of no less than twelve months.
- b. Relocation costs may include, but are not limited to, the type of costs covered in c and d below, and are allowable to the extent therein set forth; provided:
  - (1) The move is for the benefit of the Contract work.
  - (2) Reimbursement is in accordance with an established policy or practice consistently followed by the Laboratory in connection with its private operations, and such policy or practice is designed to motivate employees to relocate promptly and economically.
  - (3) The costs are not otherwise unallowable under the provisions of the contract.
  - (4) The amounts to be reimbursed shall not exceed the actual (or reasonable estimated) expenses or other limitations on allowability set forth in this section (Travel and Relocation).
- c. Allowable relocation costs include the following types of expenses:
  - (1) Travel expenses, including costs of transportation, lodging, subsistence, and reasonable incidental expenses of the employee and members of the immediate family and transportation of household and personal effects to the new location.
  - (2) Expenses incurred incident to locating a new home, such as advance trips by employees and spouses to locate living quarters, and temporary lodging and subsistence.
  - (3) Other necessary and reasonable expenses normally incident to relocation, such as costs of canceling an unexpired lease, disconnecting and reinstalling household appliances, and purchase of insurance against damages to or loss of personal property. Costs of canceling an unexpired lease shall not exceed three times the monthly rental.
  - (4) Travel expenses and other expenses incidental to locating a new home shall be governed by the provisions set forth in this part.
- d. The following types of relocation expenses are allowable, but the combined total of costs covered in (1) and (2) below shall not exceed 8 percent of the sales price of the property sold:
  - (1) Closing costs (i.e., brokerage fees, legal fees, appraisal fees, etc.) incident to the sale of the actual residence owned at old location by the employee when notified of the transfer.
  - (2) Continuing costs of ownership of the vacant former actual residence being sold, such as maintenance of the building and grounds (exclusive of fixing-up-expenses), utilities, taxes, property insurance, etc., after settlement date or lease date of new permanent residence.
- e. Relocation costs of the following types are unallowable whether incurred by the employee or by the Laboratory:
  - (1) Loss on sale of home.

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- (2) Acquisition of a home in a new location (i.e., brokerage fees, legal fees, appraisal fees, etc.).
- (3) Continuing mortgage principal and interest payments on residence being sold.

### **11. Foreign Travel**

All foreign travel requires Contracting Officer Representative (COR) approval.

Per diem allowances payable for official travel in foreign areas shall not exceed the maximum per diem rates established by the Secretary of State and published in the Per Diem Supplement to the Standard Regulations (Government Civilians, Foreign Areas). The term "foreign areas" includes any area (including the Trust Territory of the Pacific Islands) situated both outside CONUS and the non-foreign areas as described in subsection 5 above (Domestic Business Travel).

The applicable rate (allowance) shall be determined by the travel status and location of the individual at 12:00 midnight and whether lodging is required at such location. In special or unusual circumstances, employees may be paid for actual expenses in excess of the above referenced maximum per diem rates in accordance with the procedures and limitations set forth in this section.

**Section 12.**  
**Recruitment**

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1. Reimbursable expenses incurred in the recruitment of personnel will include necessary and reasonable costs.
2. An annual recruiting plan and budget will be submitted to the Contracting Officer for approval at the beginning of each fiscal year, which will be tied to the mission of the Contractor and the DOE. Approval will be conveyed through approval of the annual Cost Proposal. Expenses of recruitment may include:
  - a. Transportation, lodging, meals, incidental and other expenses for interviewees, and when approved on a case-by-case basis for spouses, during their stay for the interview and in traveling to and from their home to the Contractor location where they are interviewed subject to the limitations under the Travel and Relocation Section of the Appendix.
  - b. Costs associated with pre-employment screening, including the costs of the interviewee travel to and from his/her home to a Contractor-specified location for the purposes of medical evaluation or drug testing, when required, for the position being considered.
  - c. Recruitment advertising, recruitment-related employment office expenses, travel of employees on recruiting assignments, preparation of booklets and other recruitment materials, and use of employment agencies not in excess of standard commercial rates.

**Section 13.**  
**Community Programs**

The cost of participating in community activities that are intended to promote stakeholder and community outreach will be allowable. Subject to prior approval of the Contracting Officer, the costs of participating in community service activities shall be allowable to the extent participation does not adversely impact Contract performance. The Contractor shall submit on a fiscal year basis an annual report to the Contracting Officer detailing how these funds were expended.